1986 ANNUAL REPORT

The Workers Compensation Board of Manitoba

87-03701/

The Workers Compensation Board of Manitoba

Board of Commissioners

333 Maryland Street • Winnipeg R3G 1M2 • Telephone 786-5471; rural Manitoba call Toll Free 1-800-362-3340

March 31, 1987

Honourable Harry Harapiak
Minister Responsible for
The Workers Compensation Act
228 Legislative Building
Winnipeg, Manitoba
R3C 0V8

Dear Mr. Minister:

We are pleased to present our 1986 Annual Report in accordance with Section 57 of The Workers Compensation Act. This report covers the twelve month period from January 1, 1986 to December 31, 1986, and includes a statement of the accounts required to be kept under Section 72 of the Act.

Respectfully submitted,

Asuncion Arrojado
Chairperson

T. Donald Bulloch
Commissioner

Allan A. Fleury
Commissioner

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INTRODUCTION

The Workers Compensation Act provides compensation benefits to workers who, as a result of their employment, are injured or contract an industrial disease. The Workers Compensation Board of Manitoba is responsible for administering this legislation.

In 1971, the Workers Compensation Board was also designated by Government to administer The Criminal Injuries Compensation Act as the Criminal Injuries Compensation Board.

The needs of employers, injured workers and the community have been given ongoing consideration, and improved service and increased accessibility has resulted.

Pertinent information regarding the administration of The Workers Compensation Act through departmental, financial, and statistical explanations has been provided in this annual report. Financial statements, the auditors' report, actuarial estimates of the reserve for future costs of existing claims, and statistical tables and graphs provide supporting documentation about Board operations for 1986.

WORKERS COMPENSATION BOARD OF COMMISSIONERS

PHILOSOPHY — STATEMENT OF INTENT — AIMS AND GOALS

The Workers Compensation Board of Commissioners is committed to the principle that the injured worker has, by virtue of The Workers Compensation Act, the right to the provision of support services through the Workers Compensation Board with the use of the funds the employer has provided.

The Board of Commissioners believes that the delivery of these services should be in a manner that is accountable to the injured worker, the employer and the community as a whole.

A. THE INJURED WORKER

As a person, the injured worker has the right to be treated as an individual distinct from any other. The Board of Commissioners is cognizant of the injured worker's immediate need related to compensation and, therefore, believes that the claims and appeal process should be done expeditiously in a clear and concise manner. The Board of Commissioners believes that the injured worker is entitled to competent and efficient service that could be provided by qualified staff through an improved system of delivery. The injured worker should have the assurance of a valid and professional assessment and support in the medical and vocational rehabilitation area to ensure that the injured worker has the essential elements necessary for a positive start toward being a viable member of the work-force and the community.

B. THE EMPLOYER

As the provider of the funds, the employer is entitled to responsible financial management of the said funds by the Workers Compensation Board. The Board of Commissioners also believes that equitable methods of assessment should be followed and further believes that a sound balance should exist between assessment rates and the projected need which can be achieved through an operational budget.

C. THE COMMUNITY AS A WHOLE

The Board of Commissioners recognizes the valuable role of the compensation system in the community and will continue to improve the services it provides. Accountability will be ensured through improved communications with the community and increased accessibility to the Workers Compensation Board.

STAFF ACKNOWLEDGEMENT

The Board of Commissioners acknowledges the dedication and support provided by all levels of staff. Without this ongoing commitment, organizational goals could not be met.

It is recognized that staff resources have become limited in relation to the tremendous increase in the volume of work required of staff. This was a direct result of a growth in reported claims, more registered employers, and a general increase in advocacy from representatives of both workers and employers.

The contributions of staff are greatly appreciated.

THE YEAR IN REVIEW

- A number of Board Orders were reviewed and amended in 1986 with the most noteworthy as follows:
  - — A Board Order allowing the Workers Compensation Board to be a signatory to an interjurisdictional agreement on workers compensation.
  - — A revision of the directive on psychological conditions. This directive provides the adjudicator with direction relative to the adjudication of cases of this nature.
  - — A clarification of a 1972 policy relative to pre-existing conditions (Section 34.1 of The Workers Compensation Act).
  - — A revision to a previous directive regarding lead toxicity claims.
  - — A Board Order on the Permanent Impairment Rating Schedule. This contains a current compilation of all past Board Orders, directives, practices, and policies.
  - — A revision of the directive relative to rehabilitation decisions which provided the Vocational Rehabilitation Services Department staff and management with a larger scope of authority.
- External Communications:
  - — Meetings between the Board of Commissioners and major industry labour groups were ongoing.
  - — A special trip to Northern Manitoba was arranged to isolate specific needs and concerns in that area of the province regarding claims and vocational rehabilitation services within The Workers Compensation Board of Manitoba.
  - — The Board participated in several conferences and provided speakers on a number of occasions to increase the public understanding of workers compensation and to allow for increased accessibility to Board staff. Additional data is listed under Administration Department information.
- A Long-Term Claims Committee was established to review individual claims where there is a potential for long-term disability or delayed recovery, or where benefits have been paid on a claim for twelve weeks or more. A formal report will be provided to the Board of Commissioners in 1987. This will assist in identifying areas which require policy and procedure development and/or implementation, and will provide documentation regarding effectiveness of the Committee's mandate.
- The Board's Nursing Coordinator program was improved in order to provide earlier intervention and closer medical monitoring of serious time loss claims in a specific target group. A report outlining the success of the first full year of operation of this program will be provided to the Board of Commissioners in 1987.
- A discussion paper on an experience rating plan was developed and has been widely circulated to both industry and labour groups for future consultation and consideration.
- A review of the employer classification system was completed. Discussions are planned with industry and labour groups in conjunction with an experience rating plan.
- The Assessment Department was relocated to 696 Portage Avenue due to lack of adequate office space at 333 Maryland Street. Service capabilities to employers have improved as a result.

- In May, 1985, the Minister Responsible for The Workers Compensation Act announced that a Legislative Review Committee had been struck to conduct a major review of the legislation. The purpose of the review is to further improve the workers compensation system in Manitoba, and to ensure that it is fair and equitable for workers, employers, and the general community.

  To assist the Legislative Review Committee with informational needs, extensive data processing time and resources were required. In addition, development and preparation of a Board submission to this Committee utilized a substantial amount of staff time.

- The Workers Compensation Board of Manitoba hosted the 1986 annual convention of the Association of Workers' Compensation Boards of Canada. This forum provided the opportunity for key management personnel from all Canadian compensation boards to meet and discuss issues pertinent to workers compensation.

- In response to a special audit by the Provincial Auditor, the Board's hiring practices and procedures were upgraded and strengthened.

- Additional Payment Assessor positions were authorized in order to improve service to claimants in areas such as first payments, average earnings calculations, and implementation of pension awards.

- Additional applications to the on-line data processing system continued in 1986. A Data Processing Committee was appointed to monitor, approve, and control the cost of proposed new applications.

- Expansion of the re-employment program took place in 1986. Additional details are within the Departmental Information section of this report under Vocational Rehabilitation Services.

- Formalization of Assessment and Claims Services Department Procedure Manuals continued in 1986.

- Preparation was undertaken to meet the additional administrative needs for the anticipated proclamation and application of the Freedom of Information legislation.

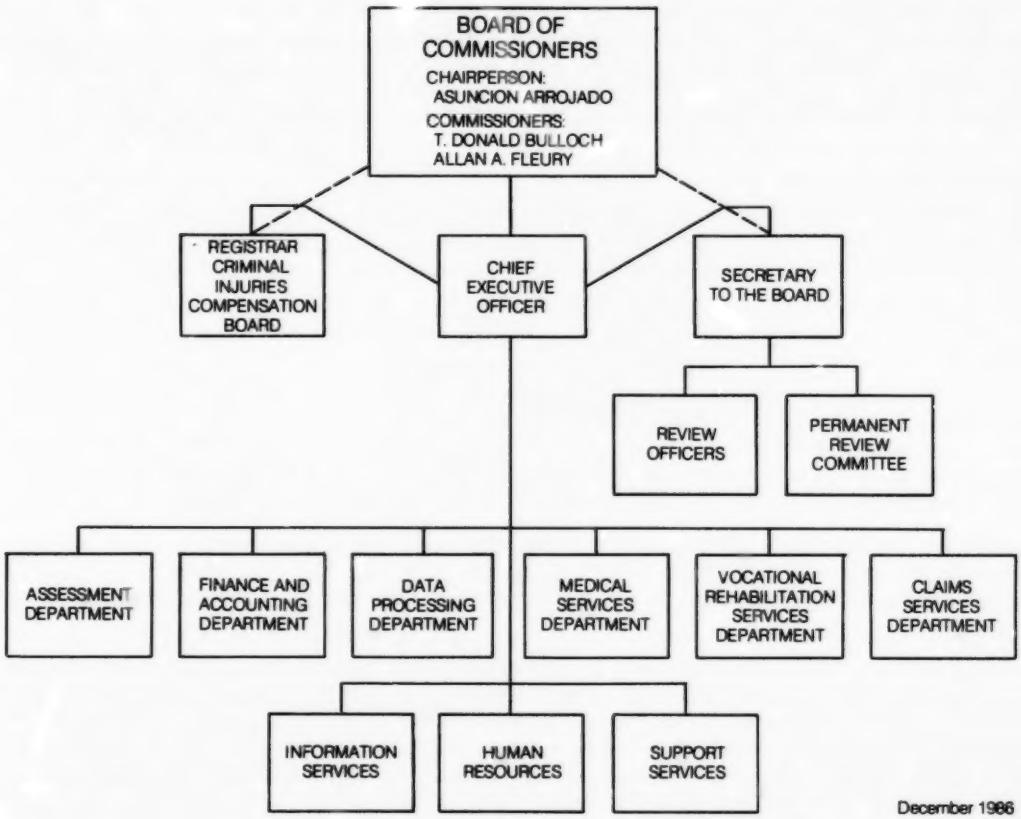
- In order to comply with Pay Equity legislation, ten staff members were appointed to three joint committees to implement the process.

- Eight in-house committees were selected to identify potential improvement in methods, or consolidation of functions, in order to possibly reduce or delay the need for additional staffing, or to achieve increased productivity from existing staff. Some areas being studied include centralized telephone, typing and photocopying services, electronic file tracking, adjudicator workload, and the team approach to claims adjudication.

LOOKING TO 1987

- A Human Resources Manager will be hired in direct response to a recommendation made by the Provincial Auditor as the result of a special audit conducted in 1986. It is expected that all recommendations contained in the report will be implemented by 1987.
- Additional resources will be provided to upgrade training and development of Board staff.
- It is recognized that further work may be required by the Board in terms of the provision of information required by the Legislative Review Committee for review of the The Workers Compensation Act.
- The "team approach" will be reviewed indepth in an attempt to integrate Board services into a more effective and efficient process.
- Implementation of Pay Equity legislation will continue over 1987 and 1988.
- A commitment to Affirmative Action will result in further consultation with the local bargaining unit and the Board of Commissioners.
- Recommendations that may result from reports of the special in-house committees struck in 1986 will be reviewed for potential efficiency improvements in service to Board clients.
- An agreement in principle was struck in December, 1986, regarding arrangements for the implementation of a reconditioning program for Board clients. This program will commence in 1987 to assist claimants to return to work in better physical condition.
- Studies and changes in computer applications to assist with adjudicator workloads will continue to ensure maximum use of the Board's computer facility in processing claims.
- Several options to address the shortage of adequate office space for staff at 333 Maryland Street will be reviewed and a strategy to deal with this problem will be developed.
- At the request of the Board of Commissioners, the University of Manitoba Research Ltd. will conduct an independent evaluation of the Board's vocational rehabilitation services program and its service delivery. Through the evaluation process it is intended that all issues significant to clients, and all policies and procedures which impact the delivery of these services, be identified. The full vocational rehabilitation services program has now been in effect for two years and the Board felt an evaluation at this point in the program would identify any required modifications.

THE WORKERS COMPENSATION BOARD OF MANITOBA



December 1986

DEPARTMENTAL INFORMATION

ADMINISTRATION DEPARTMENT

The Board's Administration Department is responsible for financial administration, information services, personnel management and operational support services functions.

The Information Services Area continues to provide increased communication regarding the compensation system for workers, employers and the community. This is achieved through provision of educational seminars/workshops and distribution of general information brochures regarding workers compensation.

In 1986, requests for speaking engagements totalled 40. This represents a combined audience of approximately 1,500 workers, employers and members of the community. Requests for copies of information pieces developed in late 1985 have been overwhelming, and thousands of booklets were distributed in 1986. A steady increase in requests has been realized since the establishment of an Information Services Area in 1982, however, personnel resources are limited and the Board is not able to provide extensive services.

The demand for file access/review, for increased service related to the appeal procedure, for research required to conduct studies and provide relevant data bases for policy and procedure development, and for legislative changes which impact the Workers Compensation Board has increased.

The Provincial Auditor completed a special audit which led to review of the Board's hiring practices and procedures and internal audit functions. Some changes were implemented in 1986 and others will be addressed during 1987.

ASSESSMENT DEPARTMENT

The Assessment Department's main responsibility is the implementation of Section 66(1) of The Workers Compensation Act. This involves the assessment and collection of annual assessments from industries listed in Section 60 and Schedule I (Section 60) of The Workers Compensation Act.

In addition, the Assessment Department approves coverage for industries electing compensation coverage on a voluntary basis provided the industries meet the criteria for acceptance. During 1986, 1,021 special applications were approved, and these are listed in Table X in the Statistical Section of this report.

The audit section is responsible for auditing the assessable payroll reported by employers to the Assessment Department and ensuring that employers are registered under the proper industry classification. As well, auditors investigate the status of claimants at the time of an accident, assist in the collection of overdue accounts and visit employers who have not submitted payroll information by the filing deadline. During 1986, the audit section performed 703 audits, made 104 collection calls, and followed up on 497 employers who had not submitted the required payroll information.

It should be noted that the application of the Board's criteria on Independent Contractors continues to be a difficult area to administer.

In the spring of 1986 a questionnaire was mailed to all registered employers requesting their opinions on experience rating, collective liability, payment of accounts and other general questions. There was an eight percent response rate to the questionnaire.

Generally respondents indicated that they were in favour of experience rating, would like to see stable assessment rates, and would like less collective liability (more and smaller assessment rate groups) in the system. However, because of contradictory responses to these concerns, survey results are inconclusive.

Employers did state that they are generally satisfied with the payment terms relating to assessment accounts.

Further study of these and other areas of concern will take place during 1987.

CLAIMS SERVICES DEPARTMENT

This Department processes compensation claims for industrial diseases and personal injury arising out of and during the course of employment. Medical aid, permanent disability and fatalities are also considered.

If a worker suffers time loss from work as a result of a job related accident or disease, benefits may be provided for temporary or permanent disability. The Board will pay medical aid costs including necessary treatments, hospitalization, prescribed medication, appliances (such as hearing aids) or prosthetic devices if required.

Special attention was given to industrial disease claims during 1986. Of significance were the number of claims filed for lead poisoning as well as registered concerns regarding exposure to asbestos, Acquired Immune Deficiency Syndrome (AIDS), and polychlorinated biphenyls (PCBs).

Board policies regarding pre-existing and psychological conditions impacted claims routines by requiring additional investigation and special attention.

Investigative Officer positions at the Board were increased to four, and this assisted in the number of "in person" claims investigations accommodated. In 1986, 1,048 investigations took place as compared to 704 in 1985. This is an increase of 49%.

During 1986, one Investigative Officer, four Claims Processors, and five Claims Officers, received internal training. Due to a number of staff shortages in 1986 additional workload for some positions in the Claims Services Department was created.

The workload of adjudicators was reorganized and a redistribution of duties between Claims Officers, Claims Processors, and the Special Claims Unit assisted in streamlining procedures.

CLAIMS:

The Claims Services Department administered 54,514 claim files during 1986. These are indicated below along with comparative statistics for 1985:

	1986	1985
1986 claims registered in 1986	52,398	48,658
Prior year claims registered in 1986	1,830	1,722
	54,228	50,380
Claim files processed during 1986		
Settled in 1986 (Table II):		
Medical Aid Only	17,327	15,610
No Cost Claims	7,795	5,666
Time Loss Claims	23,592	22,625
	48,714	43,901
Claims Initially Rejected*	586	572
Claims Referred**	5,214	4,185
	54,514	48,658

* Number of claims rejected for which the individual worker filed an application for benefits. These rejections are based on adjudicative decisions — ex., accident not arising out of and in the course of employment; no accident established.

** Number of medical service accounts refused for which an individual or organization other than the injured worker applied for payment of services. This refusal would result if, for example, the account was not related to a compensation claim, if there was no worker coverage, or if the claim was payable in another jurisdiction.

ACCIDENTS:

Accidents reported in 1986 increased over those in 1985 by approximately 7.64 percent. Table I entitled "Accidents Reported in 1986 By Class" provides comparative figures for reported accidents by employers in their respective classes.

PENSION BENEFITS:

The total number of permanently disabled workers (totally or partially disabled), and dependents of fatally injured workers in receipt of pensions as of December 31 were:

	1986	1985
Permanently Disabled	4,642	4,720
Widow(er)s	560	544
Children	318	348
Other Dependents	10	8

DATA PROCESSING DEPARTMENT

Data processing functions include processing claims benefits payments, financial and statistical reporting, firm assessment processing and billing, the development of new and maintenance of existing computer programs and services, as well as the resarching and implementing of new software products as they become available to ensure that the Board is utilizing its computer capabilities to their fullest extent.

The Data Processing Department has continued to enhance the computer system to assist with the processing of claims in a timely and cost-effective manner.

The Board continues to provide the Workplace, Safety & Health Division with the capability of accessing certain computerized information through terminals located in their offices. This allows a historical claims data base for the production of tailored statistical analysis regarding workplace accident frequency and cause. As well, there are now five large firms which receive claims cost data directly from the Workers Compensation Board via a computerized data transfer technique.

Due to a change in Manitoba Data Services' billing procedure, a significant cost saving in computer running time was realized. It is expected that even greater savings will occur in 1987.

One of the major project accomplishments in 1986 resulted in complete data security. This ensures confidentiality of file information within the data base.

Approximately 90 staff and computer days were spent on the programming and production of data requested by the Legislative Review Committee. This resulted in the carry-over of some projects originally scheduled for completion in 1986.

FINANCE/ACCOUNTING DEPARTMENT

The responsibility of this Department is to monitor and report on the financial activities of the Board. In this capacity the Finance/Accounting Department develops appropriate budgets and cash flow forecasts, monitors the investment portfolio, calculates and prepares all medical and compensation payments to claimants, assumes responsibility for all cash transactions, and prepares the periodic financial reports and reviews.

Development of a department procedure manual commenced in 1986 and it is anticipated that this project will be completed in 1987.

Staff positions within this Department were restructured to assist in the more technical aspects of payment procedures. In addition, several positions were added to improve service in key areas.

MEDICAL SERVICES DEPARTMENT

The Medical Services Department provides administrative needs such as physical examinations pension ratings, and expert medical advice and opinions in respect of scientific literature.

The Workers Compensation Act provides the Board with the authority to supervise and control the medical, surgical and hospital treatment as well as other approved care provided to injured workers. The monitoring and supervision of health care provided to injured workers with respect to the work related injury or illness is done by the Board's physicians and Nursing Coordinators through a review of the medical information provided by the attending physicians.

It is the responsibility of the Medical Services Department to carry out its various roles such as providing opinions on the medical aspects of claims and examining patients.

Medical specialties available within the Workers Compensation Board include orthopaedics, otolaryngology, neurosurgery, microbiology and internal medicine with further specialties in respirology and cardiology. The services of chiropractic consultants are utilized for claims with chiropractic involvement.

Ten presentations were arranged by the Medical Services Department to address ongoing staff education. These sessions were attended by a variety of staff from the Claims Services, Medical Services and Vocational Rehabilitation Services Departments. Several topics included the spinal cord injury patient, traumatic neurosis, chronic pain, head injuries, and cemented and non-cemented joint replacements.

VOCATIONAL REHABILITATION SERVICES DEPARTMENT

The Vocational Rehabilitation Services Department extends services to injured workers who, as a result of a compensable injury or condition, are unable to return to their pre-accident employment. The primary goal of the Department is to assist injured workers to return to employment that is within the worker's physical restrictions and which generates income compatible to the wages received at the time of the accident.

The first step in the process of vocational rehabilitation is to approach the accident employer to determine if suitable alternate employment is available. It is cost-effective and benefits both the injured worker and accident employer when a return to that firm or industry can be accommodated. Job modification, job transfer, and equipment modification programs are discussed with the accident employer with the intent of returning the injured worker to a familiar employment situation.

When a return to work cannot be accommodated with the accident employer, other avenues for re-entering the workforce are explored by the Vocational Rehabilitation Counsellor. The Counsellor will develop a cost-effective vocational rehabilitation plan designed to return the individual into a viable employment situation. Assessment of transferable skills, workplace assessments, training on-the-job situations, institutional training programs, relocating, and/or recommendation for pension augmentations are all programs and services designed to assist injured workers.

As of December 31, 1986, there were 1,474 active cases in the Vocational Rehabilitation Services Department. This represents an increase of 13.9% from the 1,294 cases that were active as of December 31, 1985. During 1986 there were 763 newly assigned cases plus 175 cases which were reactivated. Of these, 741 files were brought to a resolution, thus requiring no further services from this Department.

Of the 1,474 active cases, 251 claimants were placed in employment situations which involved some degree of wage loss. In addition, 45 claimants were participating in training on-the-job situations, 66 in institutional retraining programs, 37 were in work assessment situations, 136 were participating in a job search program, and 240 claimants were receiving pension augmentation. Of the remaining cases, 189 were receiving medical or psychological treatment, 352 were receiving vocational counselling, 1 was in a self-employment situation, 4 received pension commutations, and 2 were receiving a personal care allowance. Finally, 99 cases were awaiting further action and 52 cases had been successfully rehabilitated and the activity was being monitored. (These statistics are reflected in the Statistical Section, Figure 11.).

During 1986, a total of 846 injured workers received wage loss and pension augmentation benefits as they were unable to return to the position held at the time of their injury. A total of $3,613,988 was paid to these workers.

Another 104 workers received wage replacement and associated costs totalling $962,171 for institutional retraining programs. Compensation benefits in the amount of $2,569,069 were paid to 561 injured workers participating in a job search program. $2,185,992 were paid to 576 injured workers while they received vocational and career counselling. 101 workers received $269,942 for medical treatment and another 88 received $287,364 while awaiting further medical or vocational action.

Work assessment and training on-the-job situations involved 159 workers and $670,840 were paid in wage replacement and associated training costs.

Other compensation benefits paid totalled $519,894 and included worksite modifications, retroactive benefits, lifestyle adjustments and self-employment programs.

During 1986 the Job Finding Club was expanded so that more injured workers could be accommodated. Since the Club's inception, 118 workers have completed the program and have been successfully placed into appropriate employment situations within an average time frame of 11.87 weeks.

ADJUDICATION AND APPEALS

There are three levels of appeal available within the Workers Compensation Board. The first is Initial Adjudication (where the decision originated); the second level is Committee (either Review Committee, Rehabilitation Committee, or Assessment Committee); the final level is with the Board of Commissioners.

Employers may appeal claims benefits, medical aid, pension awards or rehabilitation decisions, as well as assessment decisions regarding worker coverage and employer classifications. Workers may appeal claims benefits, medical aid, pension awards, or rehabilitation decisions.

At the Initial Adjudication level, the appellant requests a reconsideration by the person who made the original decision on the claim. If there is still disagreement after review of information, consideration of the matter will be referred to the second level.

The Review Committee and Rehabilitation Committee consider all appeals (other than those related to assessment matters, which are considered by an Assessment Committee) where the initial decision cannot be amended to the satisfaction of the worker or the employer by the previous level. The Review Committee and Rehabilitation Committee may conduct further investigations into the claim, and have the authority to confirm or rescind previous decisions.

At the final level of appeal, the appellant may request either a Board Review and/or a Board Hearing. The Board of Commissioners may request additional field investigations, conduct its own investigation, or may refer the matter to an appropriate independent medical specialist or panel of specialists for medical input prior to reaching its decision.

APPEAL STATISTICS:

A. REVIEW COMMITTEE

The Review Committee's statistics cover the period January 1, 1986 to December 31, 1986, and show a comparison to the previous year.

Breakdown:

	1986	1985
Previous Decision Rescinded or Amended	145	98
Previous Decision Confirmed	310	359
Claims Referred to Medical Review or Neurosis Panels	8	5
Claims Referred to Board of Commissioners	133	99
TOTAL	596	561

Of the appeals handled in 1986, approximately 35% were initiated by claimants; 29% by Worker Advisors, 24% by other representatives, 5% by Employers, and 7% were rescinded through discussion with department management.

B. ASSESSMENT COMMITTEE

The Assessment Committee's statistics cover the period January 1, 1986 to December 31, 1986.

	Approval*	Rejection	Total
Reinstatement of Coverages	14	2	16
Penalties	52	59	111
Industry Classification	39	16	55
Employee Status	17	40	57
Individual Liability	48	2	50
Referred to Board of Commissioners			16
		TOTAL	305

*This indicates any change to an original decision.

C. BOARD OF COMMISSIONERS:

There were 29 final level of appeal cases carried over from 1985 for completion in 1986.

During the period January 1, 1986 to December 31, 1986 there were 222 appeals in total presented for consideration. Of this number, 100 hearings were held at the Satellite Facility in Winnipeg, and 28 of these cases will not be finalized until 1987. Therefore, the statistics shown below reflect the 194 cases that were actually considered in 1986.

	1986		**1985**	
Board Hearings	103		91	
Board Reviews	91	194	78	169
Accepted	59		48	
Rejected	89		94	
Partial Acceptance	6		9	
Claims Referred to Medical Review Panel	13		2	
Claims Referred to Neurosis Review Panel	1		0	
Claims Referred for Additional Information	26		16	
TOTAL		194		169

FILE ACCESS

In July, 1983, Bill 88 regarding access to medical information on a worker's file was approved. This legislative amendment ensures that any reports made by private practitioners **after** September 15, 1983, be available to the injured worker. Any practitioner report made **prior** to that date requires a release application as allowed for under Section 52.3(3) of The Workers Compensation Act.

For purposes of an appeal, injured workers may obtain a photocopy of general correspondence, and payments information from their claim file. The workers may also obtain a copy of any report or notation on their file made by Medical Officers of the Workers Compensation Board.

An employer requiring file documentation for an appeal may obtain a photocopy of general correspondence, payments information, and notations made by Board medical staff. Copies of private practitioner reports are not available.

For the period from January 1, 1986 to December 31, 1986, there were 1,263 files copied for information. Workers made 309 requests, employers initiated 146 requests, and other representative requests totalled 333. It should be noted that the number of files copied does not correlate with the total worker, employer, and representative requests, as one request often pertained to more than one actual file.

There were 98 file requests where the access procedure was required. Of these, the Medical Access Committee considered the release of reports from 147 practitioners.

STAFF TRAINING AND DEVELOPMENT

Programs previously established for the training and development of staff continued in 1986. These included formal in-house training regarding Board policies, procedures, and operational methods.

Technological and medical seminars have been attended where appropriate. On occasion, speakers have made presentations at the Board's offices on topics pertinent to workers compensation.

Training programs conducted by the Civil Service Commission are also available for Board staff to attend and, where approved, provision is made for staff to upgrade their job related qualifications at college or university.

During 1986, sixty-five staff members participated in external programs, and a substantial number of staff attended internal sessions.

SATELLITE FACILITY

The Board's Satellite Facility, located at 175 Hargrave Street, is utilized for Board Hearings, Medical Review and Neurosis Panels, Silicosis Boards and a variety of meetings.

The statistical breakdown related to use during 1986 with a comparison to 1985 is as follows:

	1986	**1985**
Board Hearings	100	91
Medical Review Panels	21	15
Silicosis Boards	0	0
Neurosis Panels	2	2
Meetings*	55	65

*Includes Medical Access Committee meetings.

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FINANCIAL OVERVIEW

For 1986, the operations of the Class G employers fund, prior to adjustments identified by an actuarial review, resulted in a deficit of $13,235,235, a decrease from the budgeted deficit of $15,347,361 estimated at the beginning of the year, after Government had approved an average increase in assessment rates of 20% for 1986. Details of additions and deductions to the fund are outlined in Exhibit 4.

In order to verify the accuracy of reserves for the future cost of existing claims chargeable to Class G employers, the Equalization Fund, and the Second Injury Fund, the Board approved an actuarial review of these reserves during 1986. The actuarial estimates, received in February, 1987, have been booked in accordance with required accounting and auditing principles and have resulted in an additional appropriation of Class G funds amounting to $44,135,750. It should be noted that the previous actuarial review in 1983 did not require an additional provision for the future costs of Vocational Rehabilitation. Implementation of the 1981 Lampe Report and the 1983 Section 100 Rehabilitation Advisory Committee recommendations have established cost trends which are required to be recognized. The adjustment for the required Rehabilitation costs portion of the reserve amounts to $37,795,003. These adjustments are included in Exhibits 3 and 4.

As a result of these additional future cost reserve adjustments being added to the deficit for 1986 operations as outlined in Paragraph 1, the unfunded liability for Class G employers has increased from $26,904,274 at December 31, 1985 to $84,275,259 at December 31, 1986.
Other significant financial particulars for 1986 are as follows:

1. On an overall cash operations basis, the position of the Board improved from 1985 by $11,063,349. Details of the change in financial position are illustrated in Exhibit 2.
2. The total value of assessable payrolls for Class G employers increased by 7.4%
3. The growth in assessable payrolls, along with a general average rate increase, combined to increase the Class G assessment revenue by $15,853,827.
4. Benefits paid to claimants increased by 11.7% to $80,852,918.
5. Pension awards increased by 27.9% to $18,055,072. $5.9 million of this increase is due to the number of fatality awards processed in 1986.
6. Total administration expenses increased by 10.8%. A comparison to 1985 is shown in Exhibit 5.
7. A review of the Pension Fund reserve identified a surplus of $11,159,345. This surplus was distributed as outlined in Exhibit 3.

PEAT MARWICK

Peat, Marwick, Mitchell & Co.
Chartered Accountants
500 - 363 Broadway Avenue
Winnipeg, Manitoba R3C 3N9
(204) 949-1594

AUDITORS' REPORT

To The Workers Compensation Board of Manitoba:

We have examined the balance sheet (being Exhibit 1) of The Workers Compensation Board of Manitoba as at December 31, 1986 and the accompanying financial statements (being Exhibits 2 to 6) for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Board as at December 31, 1986 and the results of its operations and changes in its financial position for the year then ended in accordance with the accounting principles set out in the notes to the financial statements applied on a basis consistent with that of the preceding year.

Winnipeg, Canada
March 18, 1987

Peat, Marwick, Mitchell & Co.
Chartered Accountants

EXHIBIT 1

BALANCE SHEET
AS AT DECEMBER 31, 1986
(with comparative figures for 1985)

ASSETS	1986	1985
Assessments receivable (Note 2)	$ 897,666	$ 471,523
Employees' and sundry accounts receivable	179,361	220,762
Recoverable from:		
The Government of Canada (Note 5)	20,068	(193,336)
Investment in securities as authorized by The Trustee Act, Manitoba, Exhibit 6 (Note 1)	141,930,133	145,345,624
Deposits with The Minister of Finance	31,705,181	20,613,434
Accrued interest on investments	3,010,950	3,107,978
Deferred cost of pension increases (Note 3)	28,565,181	36,346,258
Fixed assets (Note 4)	1,330,414	1,712,382
TOTAL	$207,638,954	$207,624,625

LIABILITIES AND RESERVES		
Bank	$ 1,015,278	$ 986,880
Self-Assurer Funds, Exhibit 4	1,223,616	1,134,622
Accounts payable	230,832	257,337
	2,469,726	2,378,839
Reserves, Exhibit 3 (Note 6)		
Pension Fund	171,786,186	171,000,000
Future cost of existing claims	108,617,554	56,528,503
Equalization Fund	612,530	645,449
Second Injury Fund	7,528,217	1,988,170
Rehabilitation Fund	900,000	1,987,938
	289,444,487	232,150,060
Class G Employers' Funds, Exhibit 4	(84,275,259)	(26,904,274)
TOTAL	$207,638,954	$207,624,625

Approved on behalf of the Board

Chairperson

Commissioner

Commissioner

The accompanying notes are an integral part of these financial statements.

EXHIBIT 2

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE YEAR ENDED DECEMBER 31, 1986

(with comparative figures for 1985)

	1986	1985
OPERATING ACTIVITIES:		
Net change in class funds and reserves	$ 12,436	$13,402,875
Add (deduct):		
Items not affecting cash:		
Depreciation	419,108	409,803
Amortization of discount	(199,732)	(192,004)
Change in accrued interest on investments	97,028	33,152
Loss on disposal of investments	344,274	
Increases in legislated pension awards		(22,132,510)
	673,114	(8,478,684)
Net change in non-cash balances relating to operations:		
Assessments receivable	(426,143)	(262,437)
Employees' and sundry accounts receivable	41,401	28,088
Recoverable from the Government of Canada	(213,404)	361,217
Deferred cost of pension increases	7,781,077	11,343,582
Accounts payable	(26,505)	(296,888)
Cash provided by operations	7,829,540	2,694,878
INVESTMENT ACTIVITIES:		
Proceeds on sale or maturity of investments	8,599,298	2,082,245
Purchase of investments	(5,328,350)	
Cash provided by investment activities	3,270,948	2,082,245
Additions to fixed assets	(37,139)	
Increase in cash during the year	11,063,349	4,777,123
Cash and cash equivalents, beginning of year	19,626,554	14,849,431
Cash and cash equivalents, end of year	$30,689,903	$19,626,554
Cash and cash equivalents are comprised of:		
Deposits with the Minister of Finance	$31,705,181	$20,613,434
Bank overdraft	(1,015,278)	(986,880)
	$30,689,903	$19,626,554

The accompanying notes are an integral part of these financial statements.

EXHIBIT 3

STATEMENT OF RESERVES
FOR THE YEAR ENDED DECEMBER 31, 1986
(with comparative figures for 1985)

	Pension Fund	Future Cost of Existing Claims	Equalization Fund	Second Injury Fund	Rehabilitation Fund	Self-Assurer Funds (Exhibit 4)	Class G Funds (Exhibit 4)	Total 1986	Total 1985
Balance, beginning of year	$171,000,000	$56,528,503	$645,449	$1,988,170	$1,987,938	$1,134,622	($26,904,274)	$206,380,408	$192,977,533
ADDITIONS:									
Assessments						9,772,426	74,757,128	84,529,554	69,562,457
Interest income	17,180,837	5,767,333	45,222	49,439	146,974	(16,485)	(2,317,480)	20,855,840	19,928,622
Other						14,556	187	14,743	(186,466)
Pension awards	18,055,072							18,055,072	14,110,900
Increase in pension awards provided under legislative change (Note 3)									22,132,510
Allocation of pension surplus (Note 6[a])	(11,159,345)				2,291,977	1,881,768	6,985,600		
Accrual for future costs (Note 6[f])		8,526,715	184,567	4,519,873			(13,231,155)		
	24,076,564	14,294,048	229,789	4,569,312	2,438,951	11,652,265	66,194,280	123,455,209	125,548,023
DEDUCTIONS:									
Compensation			72,173	1,209,720		2,446,810	31,401,427	35,130,130	31,629,517
Medical aid			58,776	282,180		1,528,070	9,994,978	11,864,004	11,148,838
Rehabilitation			38,564	1,073,285	3,526,889	751,215	5,178,453	10,568,406	9,642,922
Pensions	23,290,378							23,290,378	19,948,161
TOTAL BENEFITS PAID	23,290,378		169,513	2,565,185	3,526,889	4,726,095	46,574,858	80,852,918	72,369,438
Pension awards			205,725	2,692,297		3,761,209	11,395,841	18,055,072	14,110,900
Amortization of pension increases (Note 3)									
— Principal						907,574	6,873,503	7,781,077	11,343,582
— Interest						446,955	3,373,086	3,820,041	2,651,794
Administration expenses and other charges, Exhibit 5						1,721,438	11,212,227	12,933,665	11,669,434
	23,290,378		375,238	5,257,482	3,526,889	11,563,271	79,429,515	123,442,773	112,145,148
Change for the period before increase in reserves for future costs	786,186	14,294,048	(145,449)	(688,170)	(1,087,938)	88,994	(13,235,235)	12,436	13,402,875
Increase in reserves for future costs as per actuarial estimates (Note 6[f])		37,795,003	112,530	6,228,217			(44,135,750)		
Net change for the period	786,186	52,089,051	(32,919)	5,540,047	(1,087,938)	88,994	(57,370,985)	12,436	13,402,875
Balance, end of year	$171,786,186	$108,617,554	$612,530	$7,528,217	$900,000	$1,223,616	($84,275,259)	$206,392,844	$206,380,408

The accompanying notes are an integral part of these financial statements.

EXHIBIT 4

STATEMENT OF CLASS FUND OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 1986
(with comparative figures for 1985).

	Class "A"	Class "C"	Class "D"	Class "E"	Total Self-Assurer	Class "G"	Total 1986	Total 1985
Balance, beginning of year	$328,780	$419,732	$258,680	$127,430	$1,134,622	($26,904,274)	($25,769,652)	($13,687,882)
ADDITIONS:								
Assessments	1,176,128	1,645,874	3,073,945	3,876,479	9,772,426	74,757,128	84,529,554	69,562,457
Interest income	449	4,249	3,232	(24,465)	(16,485)	(2,317,480)	(2,333,965)	(966,024)
Other			8,626	5,930	14,556	187	14,743	291,252
Allocation of pension surplus (Note 6 [a])	270,759	327,437	662,020	621,552	1,881,768	6,985,600	8,867,368	1,487,261
Accrual for future costs (Note 6 [f])						(13,231,155)	(13,231,155)	
	1,447,386	1,977,560	3,747,823	4,479,496	11,652,265	66,194,280	77,846,545	70,374,946
DEDUCTIONS:								
Compensation	441,654	952,184	927,859	125,113	2,446,810	31,401,427	33,848,237	29,452,612
Medical aid	187,598	293,299	509,994	537,179	1,528,070	9,994,978	11,523,048	10,615,323
Rehabilitation	197,857	168,758	310,713	73,887	751,215	5,178,453	5,929,668	4,585,626
TOTAL BENEFITS PAID	827,109	1,414,241	1,748,566	736,179	4,726,095	46,574,858	51,300,953	44,653,561
Pension awards	284,015	184,579	510,991	2,781,624	3,761,209	11,395,841	15,157,050	12,138,345
Amortization of pension increases (Note 3)								
— Principal	196,218	151,635	346,826	212,895	907,574	6,873,503	7,781,077	11,343,582
— Interest	102,243	58,564	169,889	116,259	446,955	3,373,086	3,820,041	2,651,794
Administration expenses and other charges, Exhibit 5	171,421	302,816	563,668	683,533	1,721,438	11,212,227	12,933,665	11,669,434
	1,581,006	2,111,835	3,339,940	4,530,490	11,563,271	79,429,515	90,992,786	82,456,716
Change for the period before increase in reserves for future costs	(133,620)	(134,275)	407,883	(50,994)	88,994	(13,235,235)	(13,146,241)	(12,081,770)
Increase in reserves for future costs as per actuarial estimates (Note 6 [f])						(44,135,750)	(44,135,750)	
Net change for the period	(133,620)	(134,275)	407,883	(50,994)	88,994	(57,370,985)	(57,281,991)	(12,081,770)
Balance, end of year	$195,160	$285,457	$666,563	$76,436	$1,223,616	($84,275,259)	($83,051,643)	($25,769,652)

The accompanying notes are an integral part of these financial statements.

EXHIBIT 5

ADMINISTRATION EXPENSES AND OTHER CHARGES

FOR THE YEAR ENDED DECEMBER 31, 1986

(with comparative figures for 1985)

	1986	1985
ADMINISTRATION EXPENSES		
Staff and service costs	$ 7,906,131	$ 6,980,097
Data Processing	1,381,369	1,417,942
Supplies and services	741,174	601,526
Communications	539,488	449,249
Building operations	445,038	421,358
Legislative Review Committee	317,470	32,799
Depreciation	188,755	188,991
Professional Fees	58,240	89,292
Grants	1,000	2,000
TOTAL ADMINISTRATION EXPENSES	11,578,665	10,183,254
OTHER CHARGES (Note 7)		
Charges under The Workplace Safety and Health Act	1,793,189	1,957,829
Expenses of Worker Advisors under Section 91 of The Workers Compensation Act	377,969	385,106
TOTAL OTHER CHARGES	2,171,158	2,342,935
LESS RECOVERIES FROM:		
The Government of Canada for administering its employees' compensation program	694,714	698,205
The Government of The Province of Manitoba for administering The Criminal Injuries Compensation Act	121,444	158,550
TOTAL RECOVERIES	816,158	856,755
TOTAL CHARGED TO CLASSES	$12,933,665	$11,669,434

The accompanying notes are an integral part of these financial statements.

EXHIBIT 6

SUMMARY OF INVESTMENTS
AS AT DECEMBER 31, 1986
(with comparative figures for 1985)

	1986 PAR VALUE	1986 BOOK VALUE	1985 BOOK VALUE
Bonds and debentures issued by, or guaranteed by, the following:			
Province of Manitoba	$ 72,403,000	$ 72,037,049	$ 75,840,418
Government of Canada	10,700,000	10,655,057	11,448,855
Corporations	9,568,500	8,811,248	7,396,450
Hospitals	7,991,000	7,986,343	8,400,078
Municipal Corporations	4,358,000	4,345,737	4,539,236
Province of Ontario	3,300,000	3,314,210	993,190
Province of Quebec	1,315,000	1,295,792	2,740,291
Province of Saskatchewan	250,000	161,560	155,664
Province of Newfoundland	150,000	150,000	150,000
Province of British Columbia			1,033,593
Province of Alberta			249,691
	110,035,500	108,756,996	112,947,466
Mortgages, National Housing Act (Canada)	33,629,312	33,173,137	32,398,158
	143,664,812	141,930,133	145,345,624
Deposits with The Minister of Finance	31,705,181	31,705,181	20,613,434
TOTAL INVESTMENTS	$175,369,993	$173,635,314	$165,959,058

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1986

1. BASIS OF ACCOUNTING

The financial statements have been prepared using the accrual method of acccounting except for Self-Assured Class benefit payments and their related reimbursements which are accounted for on a cash basis.

INVESTMENTS

Investments are recorded at cost at the time of acquisition. Discounts or premiums are amortized on a straight-line basis over the term of the investment.

Investment income is allocated to class funds, the pension fund and other reserve funds in accordance with the average monthly balance in each fund.

The market value of the investments is not disclosed since it is the general policy of the Board to normally hold investments until maturity.

FIXED ASSETS

Fixed assets are valued at cost less accumulated depreciation. The building is depreciated as provided under Section 78 (15) of The Workers Compensation Act. All other assets are depreciated on a straight line basis over the noted period:

Building Renovations	10 years
Automobiles	5 years
Furniture and Fixtures	5 years
Leasehold Improvements	5 years
Computer System Development	3 years

Capital acquisitions are expensed in the period they are purchased unless they are of a significant value and will benefit a number of periods.

2. ASSESSMENTS RECEIVABLE

Assessments receivable consist of the following accounts:

	1986	1985
Assessments billed and outstanding	$1,422,666	$741,523
Less: Allowance for doubtful accounts	525,000	270,000
Assessments receivable, December 31	$ 897,666	$ 471,523

3. LEGISLATED PENSION AMENDMENTS

Amendments to The Workers Compensation Act have provided for increases in pension benefits with the cost of these increased benefits to be recovered from the general body of employers and self assured over a seven year period from the effective date of the amendment. The interest rate associated with the amendments is established at the time the amendments become effective and currently range from 9% to 10.75%. Details of the cost of these amendments are as follows:

	1985 AMENDMENTS	1983 AND EARLIER AMENDMENTS	TOTAL
Cost of benefits increases	$22,132,510	$59,978,512	$82,111,022
Less: Charged to special funds	—	964,590	964,590
Balance chargeable to class funds	22,132,510	59,013,922	81,146,432
Recoveries, 1979 to 1985 inclusive	5,243,026	39,557,148	44,800,174
	16,889,484	19,456,774	36,346,258
Recoveries, 1986	2,147,948	5,633,129	7,781,077
Balance, December 31, 1986	$14,741,536	$13,823,645	$28,565,181

4. FIXED ASSETS

Fixed assets are comprised of the following items:

	COST	ACCUMULATED DEPRECIATION	NET BOOK VALUE DECEMBER 31 1986	NET BOOK VALUE DECEMBER 31 1985
Building & Additions	$1,572,298	$ 721,208	$ 851,090	$ 886,139
Building Renovations	229,168	68,753	160,415	183,332
Automobiles	38,372	30,698	7,674	15,349
Furniture & Fixtures	361,685	217,012	144,673	217,011
Computer System Development	821,103	684,252	136,851	410,551
Leasehold Improvements	37,139	7,428	29,711	—
	$3,059,765	$1,729,351	$1,330,414	$1,712,382

5. GOVERNMENT EMPLOYEES COMPENSATION ACT

Under the Government Employees Compensation Act (Canada) accident claims of employees of the Government of Canada, usually employed in Manitoba, are administered by the Workers Compensation Board. The $20,068 recoverable from the Government of Canada represents the balance receivable under the Government Employees Compensation Act (Canada).

6. RESERVES

(a) THE PENSION FUND

Capitalized values of pensions awarded are credited to the Pension Fund Reserve, which is then charged with pensions paid. An actuarial review of the Pension Fund was completed as at December 31, 1985 which confirmed the adequacy of the Reserve. The present capitalized values are based upon an update of the factors utilized in the December 31, 1985 review. This produced a surplus of $11,159,345 which was allocated to the Rehabilitation Fund, Self-Assured Funds and Class G Employers' Funds.

In calculating the present value of the pension fund reserve no provision is made for potential future legislative amendments to The Workers Compensation Act which would provide increases in future pension benefits. As described in note 3, the cost of legislative pension amendments is deferred in the year awarded and recovered from the general body of employers and self-assurers over a seven year period from the effective date of the amendment.

(b) FUTURE COST OF EXISTING CLAIMS

This fund is established to meet the anticipated amount required to pay future compensation, medical aid, pensions and rehabilitation costs of claims reported in 1986 and earlier.

(c) EQUALIZATION FUND

Established to meet the future costs arising from an extraordinary circumstance.

(d) SECOND INJURY FUND

Established to meet the future costs of claims for workers suffering enhanced disabilities due to pre-existing conditions or disabilities.

(e) REHABILITATION FUND

Established to meet the cost of vocational training and other rehabilitation measures and for temporary disability benefits for Rehabilitation claims having occurred prior to January 1, 1983. Rehabilitation costs incurred after this date are provided for in the Future Cost of Existing Claims.

(f) CHANGES IN RESERVES FOR FUTURE COSTS

Prior to the completion of an actuarial review, an accrual for future costs in the amount of $13,231,155 was recorded to increase the reserves for Future Costs of Existing Claims, Equalization Fund and Second Injury Fund. An actuarial review of the reserves for future costs was completed in February, 1987, and based upon the results of this review the reserves for future costs were increased by an additional $44,135,750.

7. OTHER CHARGES

Under the provisions of The Workplace Safety and Health Act, the Province may pay the expenses incurred in the administration of that Act out of the Consolidated Fund and may recover such portion as may be determined from the class funds under The Workers Compensation Act. For 1986 the amount charged under this provision was $1,793,189 (1985 — $1,957,829).

Also, under the provisions of Section 91 (3) of The Workers Compensation Act, the Province may pay the costs incurred in respect to Worker Advisors and may recover them from class funds. For 1986, the amount charged under this provision was $377,969 (1985 — $385,106).

8. EMPLOYEE PENSION PLAN

The Employee Pension Plan was last valued at January 1, 1985. An actuarial certificate issued that date showed the plan to be fully funded. The next review is planned during 1987.

An agreement between the Province of Manitoba and the Workers Compensation Board of Manitoba allows certain employees to remain in the Civil Service Superannuation Fund instead of the Employee Pension Plan. In accordance with the provisions of the Manitoba Civil Superannuation Act, the Board contributes 50% of the pension disbursements made to these employees. Such payments are charged to income as incurred and a provision is not made in the accounts to fund current or past service obligations of the Board to the Civil Service Superannuation Fund. On the basis of the most recent actuarial report, the unfunded provision for the Board's employees amounted to approximately $354,500 as at December 31, 1983.

9. LEGISLATIVE REVIEW COMMITTEE

Government has appointed a committee under Section 100 of The Workers Compensation Act to review the compensation system in Manitoba. It is possible that certain recommendations, if implemented by the Government, will have an effect on the future financial position of the Board and on its future operations. As release of the Review Committee's report is still pending, any future effects on the Board are not determinable at this time.

10. Certain prior year comparative figures have been reclassified to conform with the current year's presentation.

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INTRODUCTION TO STATISTICAL SECTION

TABLE I records accidents reported in 1986 by Class compared to 1985 totals. 1986 recorded an overall increase in the number of accidents and fatalities reported.

TABLE II details compensable accidents settled in 1986 by Class. Information regarding time loss claims is provided in greater detail. As well, a comparison of average days lost per accident in 1986 and 1985 has been provided.

TABLE III lists a breakdown of settled accidents under the General Body of Employers Class "G" by Rate Code order. The classification of industries listed by rate code in Table III is detailed in Table VII.

FIGURE I illustrates the bodily region of injuries involving time loss for claims settled in 1986, and the regions of injury noted are self explanatory.

FIGURE 2 displays the nature of injuries according to highest percentages of time loss claims. There is an extreme differentiation in percentage between the highest rated frequency and all subsequent percentages.

FIGURE 3 presents a range of items which are shown to have been high frequency sources for time loss injuries. The items are stated by broad definition.

TABLE IV outlines information related to fatality claims processed in 1986. This includes fatalities reported during 1986, claims of this type adjudicated during 1986, and the disposition of accepted claims.

FIGURE 4 provides an illustration of the major types of accidents reported in 1986 which resulted in time loss. The miscellaneous accident type includes all accidents not elsewhere classified.

FIGURE 5 illustrates the ages of claimants in time loss accidents reported in 1986.

FIGURE 6 documents sex and marital status of claimants in time loss accidents reported in 1986.

FIGURE 7 graphically illustrates the month of occurrence of accidents reported in 1986.

FIGURE 8 presents statistical information regarding sixty-five percent of time loss claims in 1986 related to the occupations shown.

TABLE V documents a historical overview of the number of compensable accidents settled and the number of accidents reported for the ten-year period 1977 to 1986. The major difference between reported and settled accidents represents reported accidents which have no cost implications and consequently do not become shown as "settled."

TABLE VI is an analysis of claims benefits paid during the period 1977 to 1986. This specifies medical aid payments, compensation benefits, pension and rehabilitation payments.

TABLE VII defines the classification of industries set out under Section 60 of The Workers Compensation Act. The employers of industries not specified in Schedule I of the Act must make special application to the Workers Compensation Board to bring themselves or their operations within the coverage of the Act. This group is referred to as Group 9 — Voluntary (by application).

TABLE VIII records the payrolls reported in 1985. Payroll figures for 1986 are not available until mid-1987. Class "D" employers are shown separately with a cumulative total. The number of registered employers increased in 1986 over the same period in 1985.

TABLE IX documents assessment statistics related to Class "G" employers for the period 1977 to 1986. It specifies the number of registered employers and their assessable payrolls as well as the actual assessments.

TABLE X specifies the industries for which compensation coverage was approved in 1986. The types listed made voluntary application to the Workers Compensation Board. There was a slight increase in coverages applied for and approved in 1986 over the 1985 total.

FIGURE 9 illustrates the number of days between the date of accident and the date the Board received first notification of that accident.

FIGURE 10 displays the number of days between the date which the Board received notification of an accident and the date when the claim was adjudicated.

FIGURE 11 provides a percentage breakdown of active cases as of December 31, 1986 where there was vocational rehabilitation involvement with injured workers. Financial support is provided to workers involved in employment situations which may include work assessments or training on-the-job. The "other" category includes claims where action is pending, or where lump sum settlements or personal care allowances have been provided.

FIGURE 12 reflects the percent of claims according to the days of compensation paid in time loss claims. This statistical information is available in graphic detail as the result of new computer applications.

TABLE I

ACCIDENTS REPORTED* IN 1986 BY CLASS

Also Showing Comparison to 1985
(Fatalities are shown in parentheses)

Class		1986		1985	
"A"	Canadian Pacific Railway Co.	505	(0)	594	(1)
"C"	Canadian National Railway Co.	934	(2)	1,014	(1)
"D"	Province of Manitoba (including Provincial Boards and Commissions)	3,026	(4)	2,909	(7)
"E"	City of Winnipeg	2,180	(6)	2,218	(8)
"G"	General Body of Employers	45,420	(49)	41,507	(43)
Government of Canada		2,163	(3)	2,138	(1)
		54,228	(64)	50,380	(61)

* "Reported" Accidents means reported during 1986 whether they occurred in that year or in prior years.

TABLE II

COMPENSABLE ACCIDENTS SETTLED* IN 1986 BY CLASS

	NO COST CLAIMS	MEDICAL AID ONLY	TIME LOSS CASES								
			Number of Cases				Temporary Disability				
							Average Days Lost Per Accident			Average Weekly	Average
			Temporary Disability	Permanent Disability	Fatality	Total	1986	1985[1]	1985[2]	Wage	Age
Under the Manitoba Act:											
"A" Canadian Pacific Railway Co. and subsidiaries (including CP AIR)	105	247	93	13	0	106	33.1	46.5	52.9	$529	36
"C" Canadian National Railway Co. (including Air Canada)	181	361	324	17	0	341	30.5	28.2	31.8	565	37
"D" Province of Manitoba (including Provincial Boards and Commissions)	1,058	818	912	21	1	934	21.3	17.2	20.5	432	36
"E" City of Winnipeg	235	580	1,204	26	8	1,238	17.7	19.8	21.7	518	37
"G" General Body of Employers**	5,918	14,725	19,223	550	25	19,798	22.0	19.9	24.7	407	34
MANITOBA ACT TOTAL	7,497	16,731	21,756	627	34	22,417					
Under the Canada Act: Government of Canada	298	596	1,137	37	1	1,175	23.2	22.9	26.8	521	38
GRAND TOTAL	7,795	17,327	22,893	664	35	23,592	21.9	20.3	24.7	$422	34

* "Settled" Accidents means those fully processed between January 1 and December 31, 1986, whether the accidents occurred in 1986 or prior years.

** For listing of divisions of Class "G" Employers see Table VII. For detailed listing of Class "G" Accidents Settled see Table III.

[1]These averages include compensation days only and may be compared directly to the 1986 column.

[2]These amounts include combined compensation and rehabilitation days as shown in the 1985 Annual Report.

TABLE III

COMPENSABLE ACCIDENTS SETTLED IN 1986 BY CLASS*

GENERAL BODY OF EMPLOYERS — CLASS "G" ACCIDENTS DETAILED

Class "G" Employers refers to all industries set out in Schedule I of The Workers Compensation Act.

GROUP AND RATE CODE**	MEDICAL AID ONLY	TIME LOSS CASES						
		Number of Cases						
		Temporary Disability	Permanent Disability	Fatality	Total	Average Days Lost per Accident (Temporary Disability)	Average Weekly Wage	Average Age
GROUP 1 — FORESTRY								
101	24	66	2	—	68	52.0	$368	33
GROUP 2 — MINES, QUARRIES AND OIL WELLS								
201	644	414	76	3	493	26.2	671	33
202	73	67	6	—	73	48.9	529	31
203	33	26	3	1	30	46.7	991	37
GROUP 3 — MANUFACTURING								
301	461	958	17	1	976	22.5	444	33
302	412	819	16	—	835	17.2	465	33
303	136	148	14	—	162	23.3	421	34
305	54	65	—	—	65	17.8	328	30
310	1,378	1,817	57	1	1,875	17.1	441	35
311	691	823	28	2	853	18.0	384	32
312	176	37	2	—	39	22.2	619	37
313	11	25	1	—	26	14.2	347	37
314	523	750	14	1	765	16.4	322	31
315	513	826	17	—	843	18.0	320	33
316	447	467	10	—	477	18.7	343	31
319	115	161	7	—	168	19.6	353	32
320	189	359	6	—	365	13.0	431	34
321	5	7	—	—	7	18.3	435	34
GROUP 4 — CONSTRUCTION								
401	1,049	1,505	46	1	1,552	28.5	456	33
402	460	483	9	2	494	19.9	545	32
404	127	143	6	—	149	28.4	454	31
405	29	28	1	—	29	14.3	655	36
406	47	46	1	—	47	19.7	704	40
407	164	224	10	—	234	33.0	578	35
408	150	289	9	2	300	33.1	547	35
409	116	168	1	—	169	30.4	1,007	38
GROUP 5 — TRANSPORTATION, COMMUNICATIONS AND STORAGE								
501	506	1,074	33	2	1,109	27.3	470	35
502	114	106	5	—	111	20.5	401	34
503	93	202	6	1	209	37.0	407	35
505	8	9	—	—	9	16.8	524	33

* Specific rate codes only.

** For listing of Class "G" Employers by Group and Rate Code, see Table VII.

TABLE III

COMPENSABLE ACCIDENTS SETTLED IN 1986 BY CLASS*

GENERAL BODY OF EMPLOYERS — CLASS "G" ACCIDENTS DETAILED

Continued

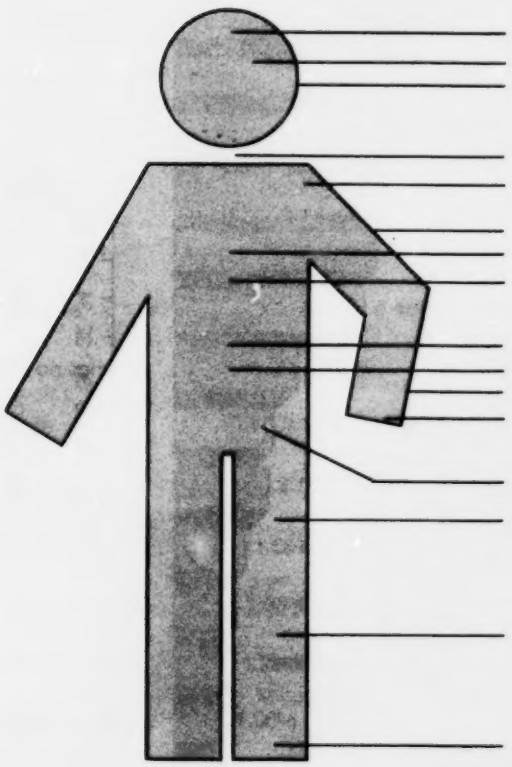
GROUP AND RATE CODE**	MEDICAL AID ONLY	TIME LOSS CASES						
		Number of Cases				Average Days Lost per Accident (Temporary Disability)	Average Weekly Wage	Average Age
		Temporary Disability	Permanent Disability	Fatality	Total			
GROUP 6 — TRADE								
601	989	1,206	16	1	1,223	23.7	$326	34
602	80	76	2	—	78	26.7	260	30
603	369	567	14	1	582	18.4	413	31
604	849	705	19	—	724	17.1	383	32
605	154	144	9	—	153	14.8	399	35
607	117	146	4	—	150	16.2	293	29
609	69	118	4	—	122	27.8	480	34
GROUP 7 — SERVICE INDUSTRIES								
701	1,088	1,193	17	—	1,210	20.7	211	30
702	1,228	1,705	16	—	1,721	21.3	362	38
703	14	5	—	—	5	44.4	345	35
704	2	1	—	—	1	12.0	124	19
705	34	67	1	—	68	17.1	179	30
706	29	72	1	—	73	41.1	193	37
710	9	6	—	—	6	13.4	208	42
712	1	—	—	—	—	—	—	—
713	1	1	—	—	1	37.0	240	21
714	—	—	—	—	—	—	—	—
GROUP 8 — PUBLIC ADMINISTRATION								
801	160	178	5	—	183	19.0	395	38
802	17	12	—	—	12	89.0	440	39
GROUP 9 — VOLUNTARY (BY APPLICATION)								
901	163	145	3	—	148	30.0	255	37
902	93	106	5	—	111	23.7	348	31
903	65	60	4	—	64	26.9	281	37
904	46	80	7	—	87	35.0	314	33
905	17	33	—	—	33	14.5	258	27
906	1	1	—	—	1	27.0	—	27
907	7	10	1	—	11	44.6	420	37
909	25	49	—	1	50	28.0	475	37
910	1	—	—	—	—	—	—	19
911	6	9	1	—	10	10.2	314	30
912	71	65	4	—	69	18.8	415	40
914	—	8	—	—	8	64.9	273	39
916	4	—	—	—	—	—	—	19
917	2	2	—	—	2	2.8	393	29
918	2	—	—	—	—	—	—	37
919	3	1	—	—	1	3.0	375	42
921	184	292	9	—	301	19.7	404	43
922	9	4	—	—	4	27.5	202	36

*Specific rate codes only.

**For listing of Class "G" Employers by Group and Rate Code , see Table VII.

FIGURE 1

REGION OF BODY INJURED
ALL 1986 REPORTED ACCIDENTS



	PERCENT OF CLAIMS	NUMBER OF CLAIMS
Head	1.91	947
Eye(s)	8.86	4,386
Hearing	.57	280
Neck	1.25	617
Shoulder	2.93	1,448
Upper Arm	.52	256
Dorsal Spine	.70	345
Thorax	.66	329
Lower Spine	16.37	8,104
Abdomen	2.95	1,459
Lower Arm	7.09	3,508
Hand	25.02	12,386
Pelvis	.40	199
Upper Leg	.96	474
Lower Leg	9.47	4,689
Foot	5.37	2,657

Cardio/Respiratory	.37	181
Industrial Diseases	.71	350
Multiple Injuries	8.69	4,303
Miscellaneous	5.21	2,580

FIGURE 2

NATURE OF INJURIES ACCORDING TO HIGHEST PERCENTAGES
TIME LOSS CLAIMS ONLY

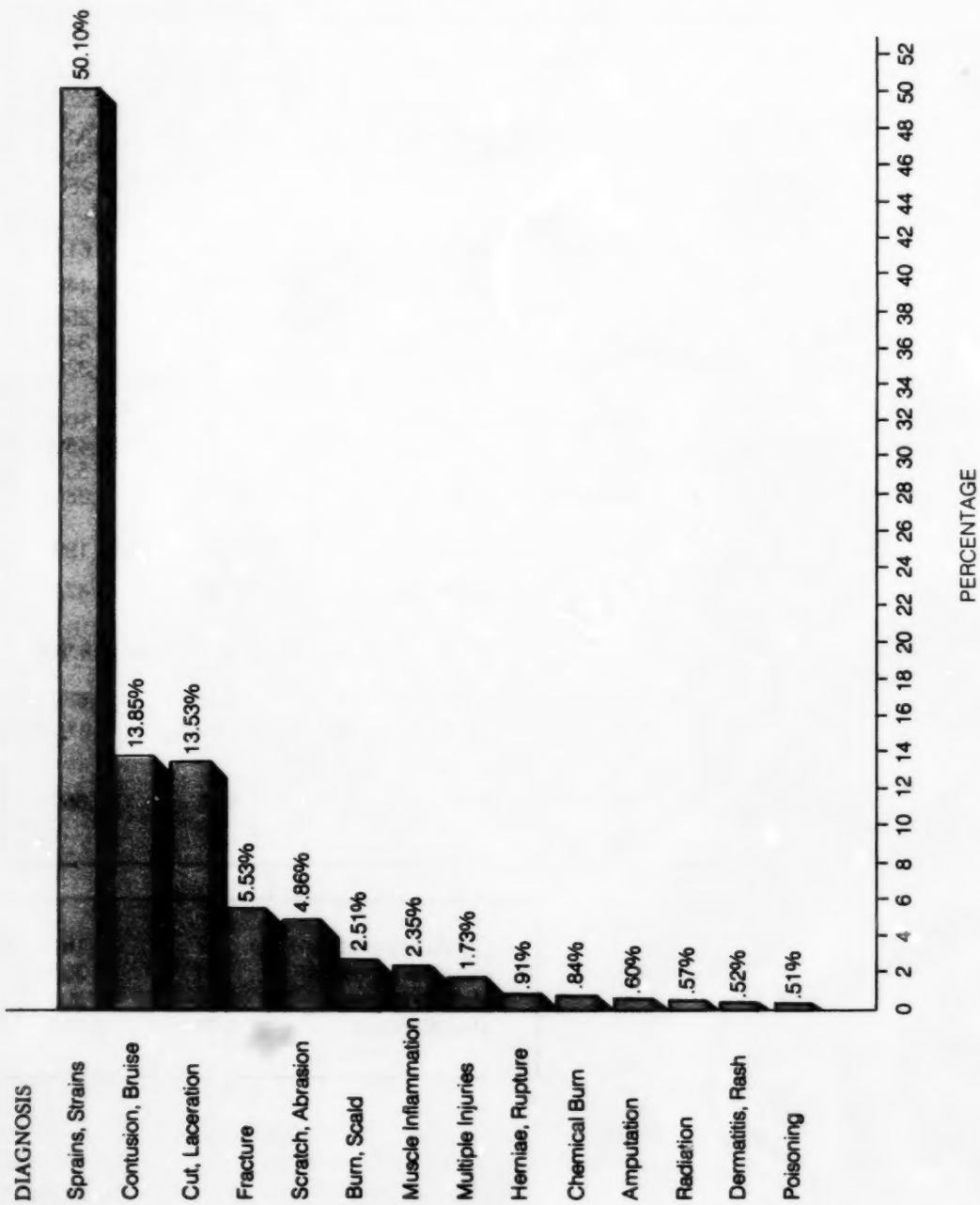


FIGURE 3

SOURCE OF INJURY ACCORDING TO HIGHEST PERCENTAGES

TIME LOSS CLAIMS ONLY

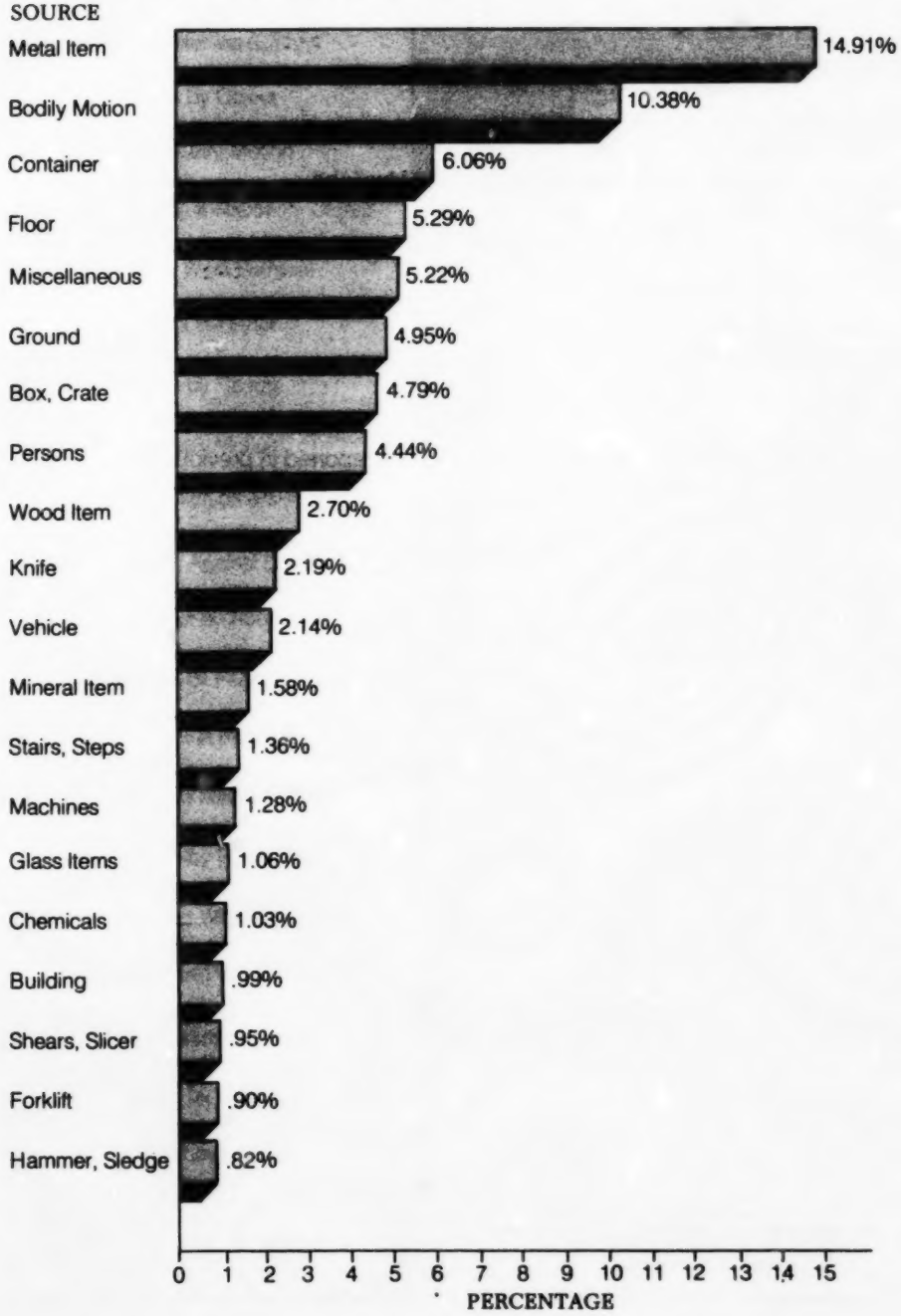


TABLE IV

FATALITY CASES PROCESSED IN 1986

FATALITIES REPORTED DURING 1986

Fatalities reported in 1986 — new claims	43
Fatalities reported in 1986 as relating to previously recorded accidents	21

FATALITY CLAIMS ADJUDICATED DURING 1986*

Fatalities not accepted as the responsibility of the Board	14
Fatalities reported to The Workers Compensation Board of Manitoba but handled by other Boards	—
Fatality claims accepted	35

DISPOSITION OF ACCEPTED CLAIMS

Burial and medical costs only	3
Dependent pension established	32
Widows — 32	
Children — 22	

* Refers to claims adjudicated during 1986 and includes fatalities reported in previous years.

FIGURE 4

CAUSE OF ACCIDENT
1986 TIME LOSS ACCIDENTS

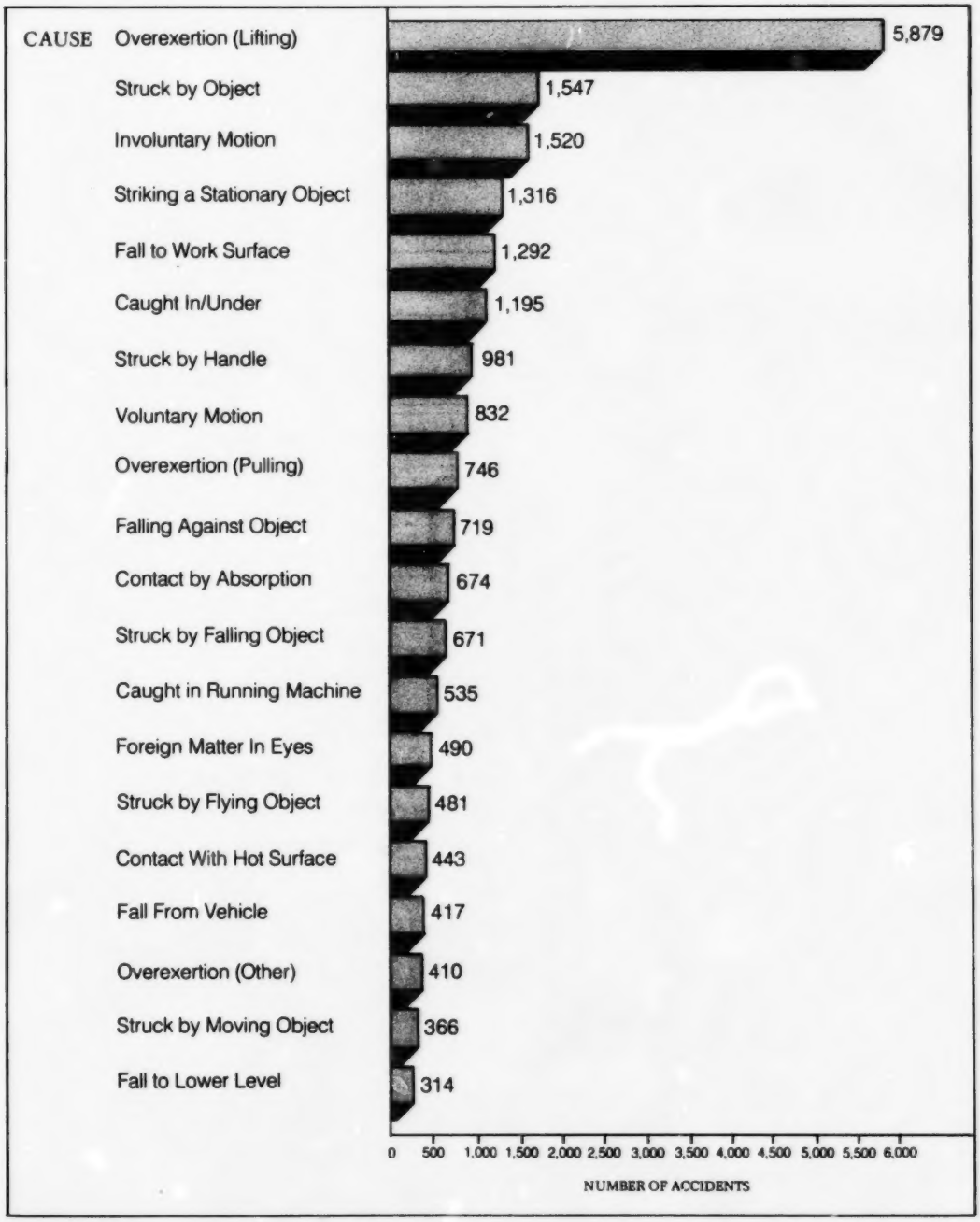

CAUSE
Overexertion (Lifting) 5,879
Struck by Object 1,547
Involuntary Motion 1,520
Striking a Stationary Object 1,316
Fall to Work Surface 1,292
Caught In/Under 1,195
Struck by Handle 981
Voluntary Motion 832
Overexertion (Pulling) 746
Falling Against Object 719
Contact by Absorption 674
Struck by Falling Object 671
Caught in Running Machine 535
Foreign Matter In Eyes 490
Struck by Flying Object 481
Contact With Hot Surface 443
Fall From Vehicle 417
Overexertion (Other) 410
Struck by Moving Object 366
Fall to Lower Level 314
0 500 1,000 1,500 2,000 2,500 3,000 3,500 4,000 4,500 5,000 5,500 6,000
NUMBER OF ACCIDENTS

FIGURE 5

AGES OF CLAIMANTS
1986 TIME LOSS ACCIDENTS

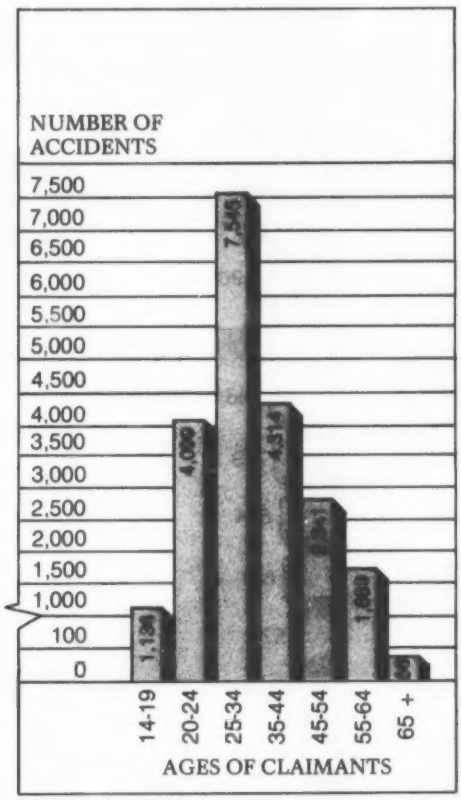


FIGURE 6

SEX AND MARITAL STATUS OF CLAIMANTS
1986 TIME LOSS ACCIDENTS

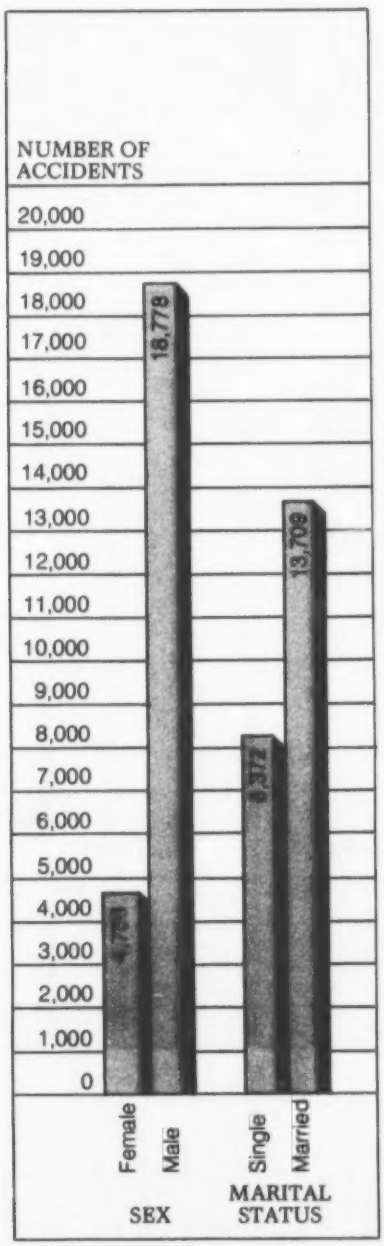


FIGURE 7

MONTH OF OCCURRENCE OF ACCIDENTS
ALL 1986 ACCIDENTS

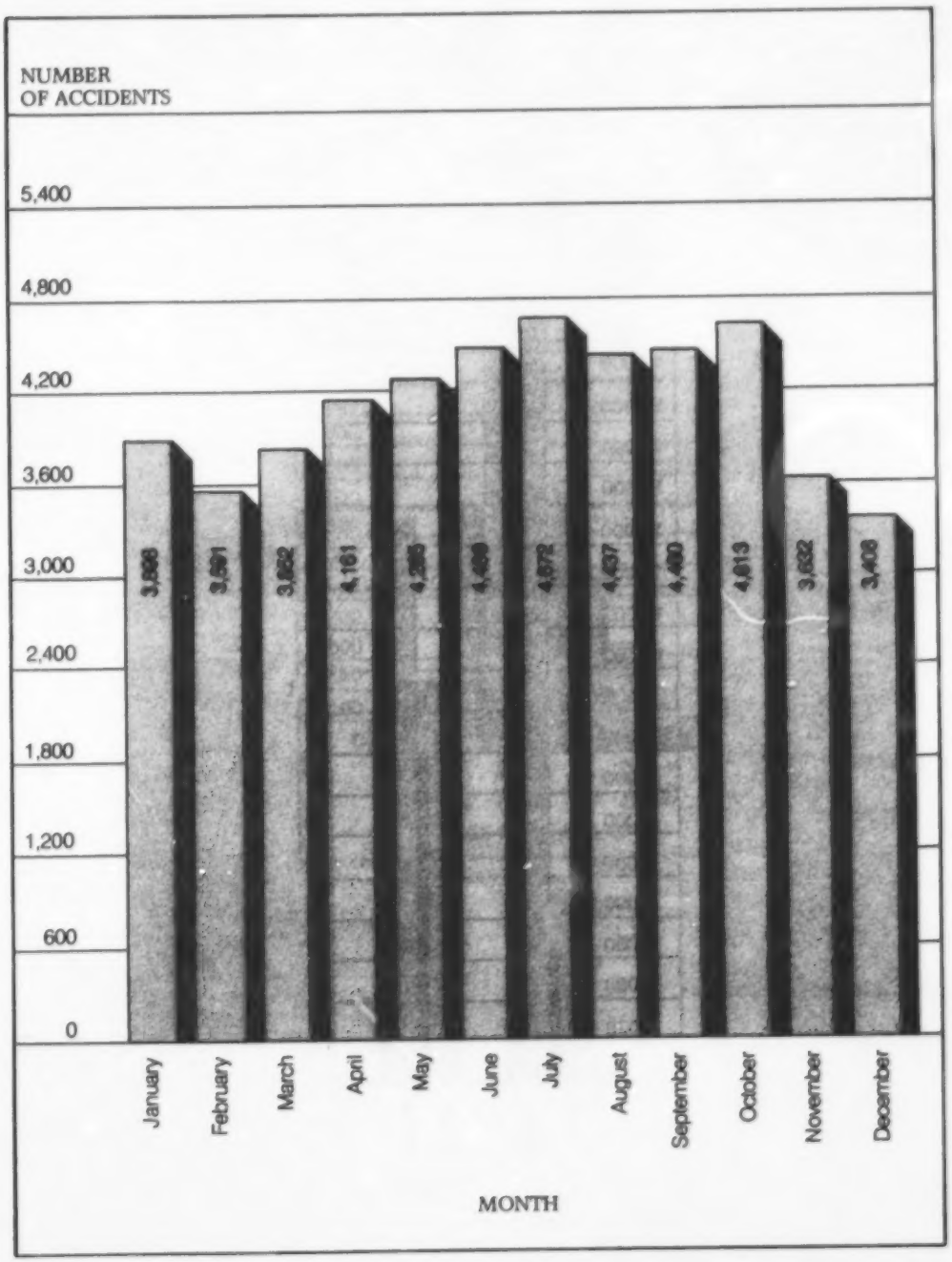


FIGURE 8

ACCIDENTS BY OCCUPATION
TIME LOSS CLAIMS ONLY

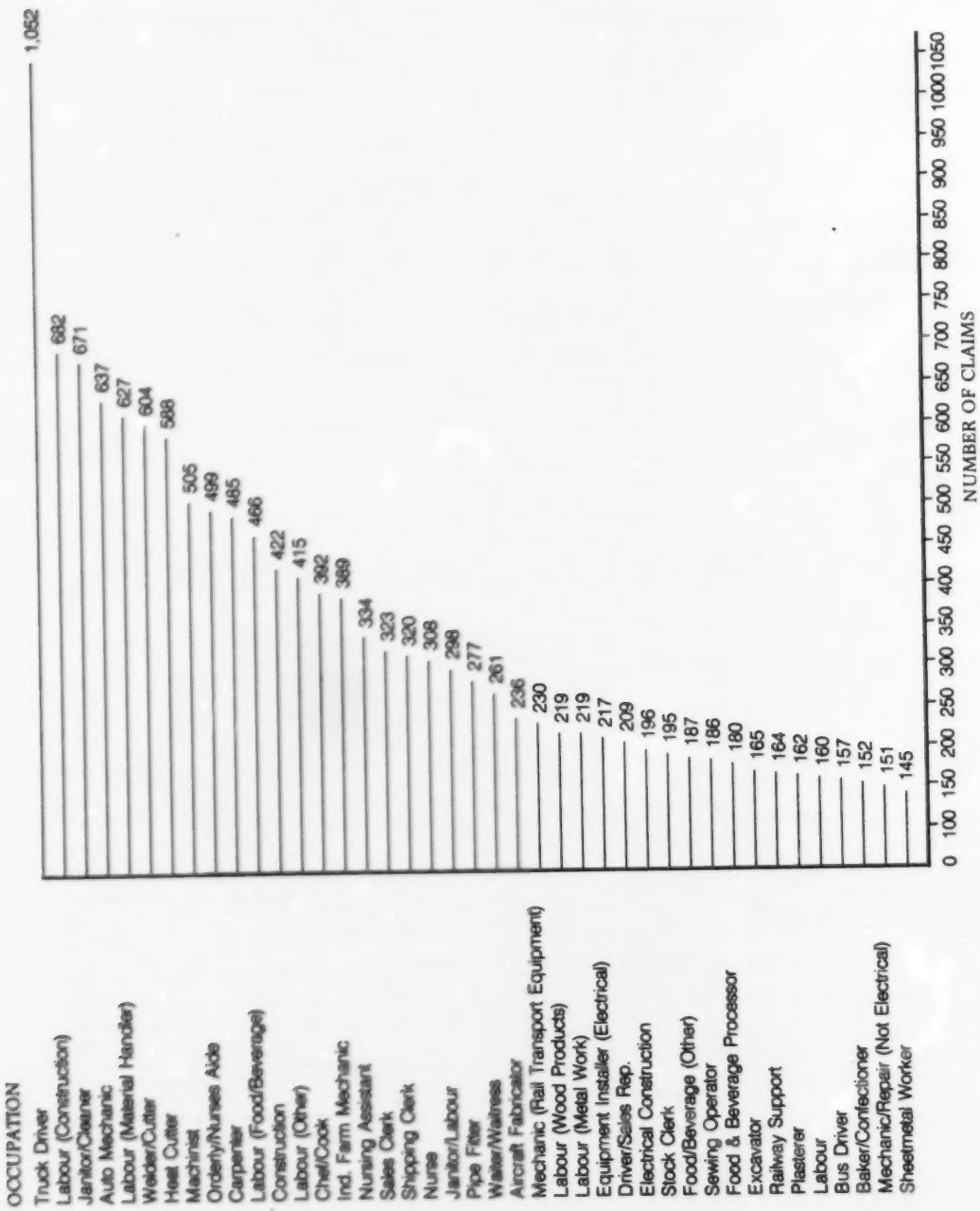


TABLE V

ACCIDENTS SETTLED* AND ACCIDENTS REPORTED** FOR THE YEARS 1977 TO 1986

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
Medical Aid Only	16,236	16,166	17,411	17,898	18,847	17,021	15,578	15,500	15,610	17,327
Temporary Disability	17,666	17,201	18,720	20,701	19,645	19,712	18,560	20,590	21,769	22,893
Permanent Disability	578	580	580	526	539	604	654	619	826	664
Fatality	34	34	37	38	29	21	31	27	30	35
Total Time Loss Claims	18,278	17,815	19,337	21,265	20,213	20,337	19,245	21,236	22,625	23,592
Total Compensable Accidents Settled	34,514	33,981	36,748	39,163	39,060	37,358	34,823	36,736	38,235	40,919
Total Accidents Reported	43,256	42,418	46,463	46,627	48,904	44,737	44,133	48,685	50,380	54,228

* Accidents Settled means those fully processed between January 1 and December 31 whether the accidents occurred in the year shown or prior years.

** Accidents Reported means those reported during the year whether they occurred in that year or in prior years.

TABLE VI

CLAIMS BENEFITS PAID FOR THE YEARS 1977 TO 1986

(dollar amounts shown in thousands)

Year	Medical Aid	Compensation Benefits	Pensions	Rehabilitation
1986	$11,864	$35,130	$23,290	$10,568
1985	11,149	31,629	19,948	9,643
1984	11,354	29,518	14,841	7,882
1983	8,610	24,394	12,489	4,912
1982	7,356	22,434	9,860	1,728
1981	5,843	17,373	8,789	417
1980	4,858	14,228	7,890	207
1979	4,438	12,234	6,868	117
1978	3,815	10,570	6,224	56
1977	3,829	10,582	6,011	79

TABLE VII

CLASSIFICATION OF INDUSTRIES UNDER SECTION 60 OF THE WORKERS COMPENSATION ACT

Class	
"A"	Canadian Pacific Company and Subsidiaries (including CP Air)
"C"	Canadian National Railway Company (including Air Canada)
"D"	The Province of Manitoba (including Provincial Boards and Commissions)
"E"	The City of Winnipeg
"G"	All industries set out in Schedule I and not included in the above classes.

DIVISION OF CLASS "G" EMPLOYERS DETAILED

Rate Code	
	GROUP 1 — FORESTRY
101	Lumbering, Logging, Pulpwood Production
	GROUP 2 — MINES, QUARRIES AND OIL WELLS
201	Mining
202	Oil Drilling, Diamond Drilling, Quarries, Water Well Drilling
203	Contract Mining Development
	GROUP 3 — MANUFACTURING
301	Packing Houses, Meat Products, Poultry Processing, Stockyards
302	Food and Dairy Products, Bakeries
303	Milling, Manufacture of Feed and Seed
305	Canneries, Packaging
310	Foundries, Rolling Mills, Machine Shops, Manufacture of Vehicles, Agricultural Machinery, Welding Shops, Scrap Metal Dealers
311	Light Metal Products, Tire Repairs, Auto Wrecking, Wooden Boxes
312	Operation of Pulp and Paper Mills
313	Operation of Sawmills
314	Planing Mills, Tanneries, Manufacture of Furniture, Concrete Blocks, Sash and Door Factories, Monument Dealers
315	Manufacture of Textiles, Petroleum Products, Stationery, Operation of Knitting Mills, Printing, Leather Goods, Jewellery
316	Manufacture of Mattresses, Bedsprings, Plastic Articles, Paint, Cement, Soap, Varnish, Roofing Material, Machine and Appliance Repairs
319	Manufacture of Wooden Articles, Cardboard and Paper Boxes, Drugs, Medicines, Upholstering
320	Manufacture of Aeroplanes
321	Marble Works, Stone Cutting
	GROUP 4 — CONSTRUCTION
401	Building Construction, Painting, Plastering, Concrete Work, Flooring
402	Electrical Wiring, Plumbing, Heating, Ventilation
404	Roofing, Outside Sheet Metal, Work at Elevation
405	Steel Bridge and Steel Buildings
406	Installation of Elevators, Boilers, Heavy Machinery
407	Sewer Construction, Excavation, Work Under Water, Piling
408	Roadwork, Gravel Pits, Trenching
409	Power Plants, Transmission Lines, Limestone

Rate Code	
	GROUP 5 — TRANSPORTATION, COMMUNICATIONS AND STORAGE
501	Trucking, Street Cleaning, Garbage Removal, Fishing, Navigation
502	Operation of Grain Elevators, Custom Warehousing, Cold Storage Plants
503	Operation of Pipelines, Oil Well Services (Above Ground), Taxis, Buses, Ambulances, Railways
505	Radio and Television Stations, Telephone and Telegraph Systems
	GROUP 6 — TRADE
601	Retail Establishments
602	Consumer Co-operatives
603	Wholesale Establishments
604	Garages, Gas Distribution, Autobody Repairs
605	Implement and Machinery Dealers
607	Retail Lumber Yards
609	Builders Supplies, Fuel Dealers
	GROUP 7 — SERVICE INDUSTRIES
701	Operation of Hotels, Motels, Restaurants, Cleaning and Dyeing Plants, Investigation and Security Services
702	Operation of Hospitals, Nursing Homes, Senior Citizens Homes, Day Care Centres
703	Consulting Engineers and Architects, Supplying Clerical Employees
704	Professional Inspection and Testing
705	Supplying Manual Labour
706	Janitorial Services, Domestics
710	Operation of Theatres
711	Apprentice Projectionists
712	Hunting and Fishing Lodges (With Guides)
713	Funeral Homes or Undertakers
714	Operation of Rocket Range
	GROUP 8 — PUBLIC ADMINISTRATION
801	Operation of a Municipal Corporation
802	Volunteer Fire Fighters and Volunteer Ambulance Service Members
	GROUP 9 — VOLUNTARY (BY APPLICATION)
901	Operation of Buildings, Clubs, Rinks, Cemeteries
902	Operation of Government Agencies, Rental of Vehicles, Equipment, Landscaping
903	Business Offices, Sales Activities, Bowling Alleys, Welfare Agencies, Medical Labs, Beauty Parlors, Barber Shops, Union Agencies
904	General Farming
905	Poultry Farming, Hatcheries, Nurseries, Market Gardening
906	Display Advertising, Harvesting Wild Rice, Chemical Spraying
907	Surveying, Prospecting and Exploration for Minerals
909	Air Transportation
910	Operation of Film Exchanges
911	Window Cleaning
914	Land Clearing
916	Land Surveying
917	Waste Paper Collection, Transportation of Own Goods
921	Operation of Schools
922	Federal Employment Programs

TABLE VIII

STATEMENT OF PAYROLLS REPORTED FOR THE YEAR 1985*

Class "A"	Canadian Pacific Railway Company	$	$ 115,621,150
Class "C"	Canadian National Railways		188,053,191
Class "D"	Province of Manitoba:		
	Manitoba Telephone System	120,292,877	
	Manitoba Government	434,007,334	
	Manitoba Liquor Control Commission	12,207,131	
	Manitoba Hydro	123,115,530	
	Workers Compensation Board	5,343,990	
	Manitoba Public Insurance Corporation	24,815,550	719,782,412
Class "E"	City of Winnipeg		294,335,660
Class "G"	General Body of Employers**		4,261,119,040
	TOTAL		$5,578,911,453

*1986 Payroll figures are not available until mid-1987.

**Registered employers (including independent contractors) as at December 31, 1986 were 19,900 (1985 - 19,531).

TABLE IX

ASSESSMENT STATISTICS FOR CLASS "G" EMPLOYERS, FOR THE YEARS 1977 TO 1986

Year	Number Registered	Assessable Payrolls ($millions)	Assessments ($thousands)	Average Assessment Revenue per $100 of Payroll
1986	19,900	$4,413*	$72,373*	$1.640
1985	19,531	4,261	58,897	1.382
1984	19,097	4,003	44,124	1.110
1983	18,939	3,643	32,713	0.898
1982	18,891	3,436	28,242	0.822
1981	18,921	3,260	28,983	0.889
1980	18,375	2,892	25,966	0.898
1979	18,069	2,667	24,719	0.927
1978	17,114	2,395	22,163	0.925
1977	16,610	2,263	22,165	0.979

*Estimated amounts — final 1986 payroll figures will not be available until mid-1987.

TABLE X

SPECIAL COVERAGES BY APPLICATION — APPROVED 1986

TYPE	NUMBER
Apartments (Business Blocks, Banks, Churches & Other Building Care & Maintenance)	49
Arcade Operations (Restaurant, Retail)	3
Audio Visual Production	3
Beauty Parlor/Barber Shop	5
Beekeeping	1
Boarding Stables	1
Building Construction Etc. (Not Elsewhere Classified)	6
Business Offices	29
Car and Truck Rental	1
Carnivals	3
Cartage Trucking (Reporting Hired Truckers)	37
Cemetery Operations	2
Chemical Spraying	2
Clubs (Private, Golf & Country, Curling, Legion, Community, Lawn Bowling Etc.)	26
Drilling for Oil (Reporting Hired Truckers)	1
Farming: General	78
Dairy	7
Poultry	5
Stock & Hog Farms, Cattle Ranches & Feed Lots	4
Federal Employment Programs	3
Greenhouse Nursery	1
Harvesting	3
Instruction Centre	1
Land Clearing	3
Landscaping	24
Messenger Service, N.E.C.	1
Nursing Service on Indian Reserve	1
Personal Coverage	424
Poultry Processing (Poultry Owned by Individual)	1
Rental of Equipment	5
Research Association	2
Resident Member of Family Coverage	206
Resorts (No Overnight Accommodation)	3
Restaurant With Pool Hall	2
Sales Activities	27
Sales Office	4
Schools	1
Survey, Exploration & Prospecting	12
Testing Labs	2
Transport Own Goods	1
Union Agency	10
Veterinary Surgeons	2
Welfare Agency	16
Window Cleaning	1
Wooden Furniture (Manufacturing on Indian Reserve)	1
X-Ray Equipment	1
TOTAL	1,021

FIGURE 9

NUMBER OF DAYS BETWEEN ACCIDENT DATE AND BOARD NOTIFICATION

TIME LOSS CLAIMS ONLY

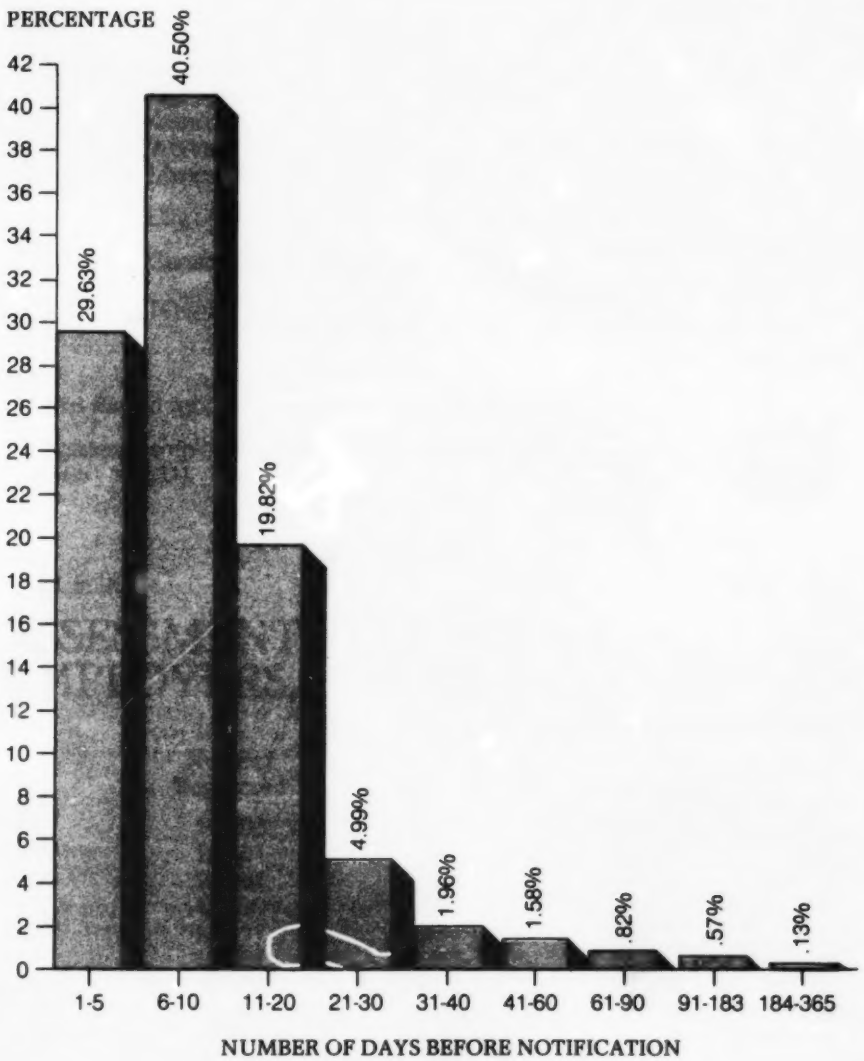


FIGURE 10

NUMBER OF DAYS BETWEEN BOARD NOTIFICATION AND CLAIM ADJUDICATION

TIME LOSS CLAIMS ONLY

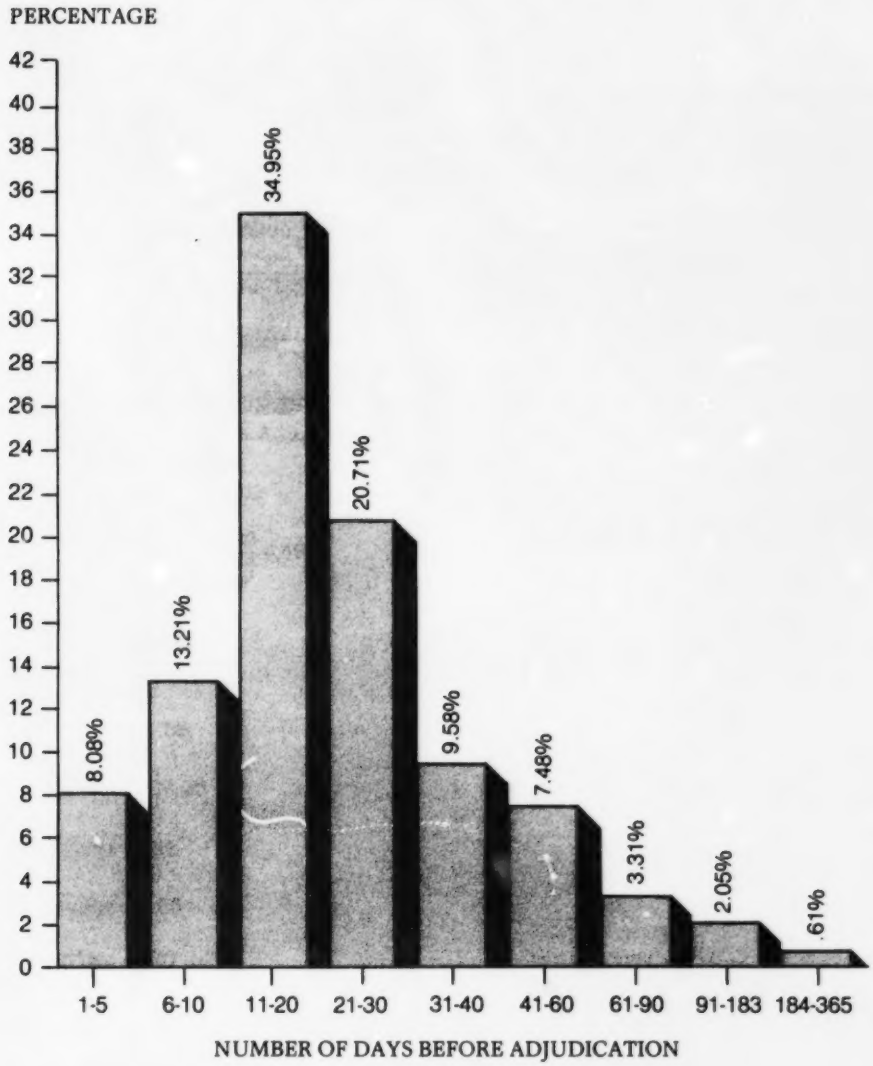


FIGURE 11

VOCATIONAL REHABILITATION SERVICES INVOLVEMENT WITH INJURED WORKERS

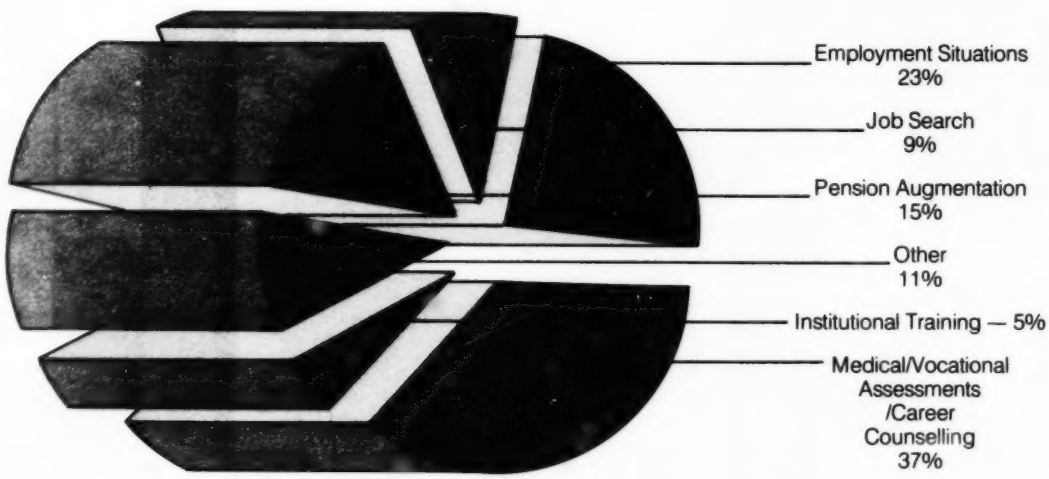


FIGURE 12

TIME LOSS ACCIDENTS BY DAYS OF COMPENSATION

TIME LOSS CLAIMS SETTLED IN 1986 ONLY